

**DISABILITY INSURANCE PROGRAM**  
**FREQUENTLY ASKED QUESTIONS (FAQ)**

**Section 4.0: General Short-Term Disability (STD) and**  
**Long-Term Disability (LTD) Benefit Information**

Disclaimer—

If there is any conflict in interpretation between the FAQs and the Short-Term Disability (STD) and Long-Term Disability (LTD) program contract provisions and existing law, the contract provisions and/or law govern.

**Q 4.1 What happens in the event The Hartford goes out of business? What procedures are in place to handle this if it happens?**

**A 4.1** The State is self insured for the Short-Term Disability period and the Hartford is insuring the Long-Term Disability period. In selecting a carrier, one of the criteria used in the (Request for Proposal (RFP) process was the financial strength of the company. Not only did the Hartford score high in that area, but they have been in business for over 150 years and in the disability business for over 50 years. If, for whatever reason, The Hartford were to go out of business there are procedures in place through the Insurance Commissioner's office to ensure that claims are paid. Every insurance company that writes business in the State of Delaware has to deposit a percentage of the premium into a special trust fund. This fund is used in the event of an insurer defaulting. The State would then select another carrier to cover the LTD portion for the employees that are active.

**Q 4.2 I would like to view a copy of STD and/or LTD benefit booklet. Where is this information displayed?**

**A 4.2** Copies of the STD and LTD benefit booklets are displayed at <http://ben.omb.delaware.gov/>.

**Q 4.3 Can an employee use STD and LTD to meet eligibility for a service pension benefit?**

**A 4.3** Yes.

**Q 4.4 Under the disability insurance program, would the benefits be decreased if the employee also has a long term care policy that the employee could collect?**

**A 4.4** Long term care is insurance that typically pays the medical bills (i.e. nursing home, etc.) in the event of the need for long term care. It is not typically an income replacement policy. Therefore, there would not be an offset (decrease) in the STD/LTD insurance payment.

**Q 4.5 It is understood that STD and LTD benefit payments are taxable. Will the taxes be deducted from the employees' pay or will they be responsible for paying the taxes?**

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- A 4.5 Taxes will be deducted from the benefit in accordance with the employee's W-4 form for STD and the directive given to The Hartford by the employee for the LTD payment.
- Q 4.6 **If an employee goes on STD & LTD, will this information show on the W-2 at the end of the year and will the employee be taxed accordingly?**
- A 4.6 The STD benefit paid by the State of DE will appear on the W-2. The LTD benefit paid by The Hartford will be reflected on a 1099 form for miscellaneous income. Both are taxable income as the cost of the program is paid 100% by the employer.
- Q 4.7 **If an employee qualifies for LTD and is enrolled in the Group Universal Life (GUL) Insurance program underwritten by Minnesota Life, how will Minnesota Life continue to receive premium payments?**
- A 4.7 If you become totally disabled while enrolled the Minnesota Life GUL program, the State of Delaware will continue to pay your life insurance premiums as long as you are deemed totally disabled by Minnesota Life or until age 65, whichever occurs first. This feature is called "premium Waiver". In the State of Delaware's contract with Minnesota Life, "total disability" means that 1) you cannot perform your job due to an injury or sickness and 2) you cannot perform any job for which you are fit through education, experience or training. If you become totally disabled, please contact Minnesota Life at 1-877-215-1489 or access Statewide Benefits website at <http://ben.omb.delaware.gov/> to learn how to apply for this benefit.
- Q 4.8 **Is there any change to my State provided health care insurance coverage while I am out on Short-Term Disability (STD) or Long-Term Disability (LTD)?**
- A 4.8 While you are on STD the State continues to pay State Share or Double State Share on your health insurance. Your share of the insurance premium(s), if any will be deducted from your pay. Premium(s) include all insurance premiums (Health, Dental, Vision, Prescription, etc.) paid through payroll deduction.
- Q 4.9 **Workers' Compensation during Short-Term Disability (STD). If I am out of work on Workers' Compensation due to an injury that occurred at work why would I file for Short-Term Disability (STD)?**
- A 4.9 Workers' Compensation is a system, created by Delaware Legislature, which provides benefits to workers who are injured or who contract an occupational disease while working. The benefits include medical care, temporary disability payments and compensation for a resulting permanent impairment. The benefit amount is 66-2/3 percent of gross weekly wages received at the time of the injury, up to a maximum established annually by the Secretary of Labor. STD will bring your pay up to 75% of gross wages and entitle you to Holidays and leave accrual at that percentage.

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